

Economic Impact of Forestry and Forest Products

on Louisiana's Fifth Congressional District



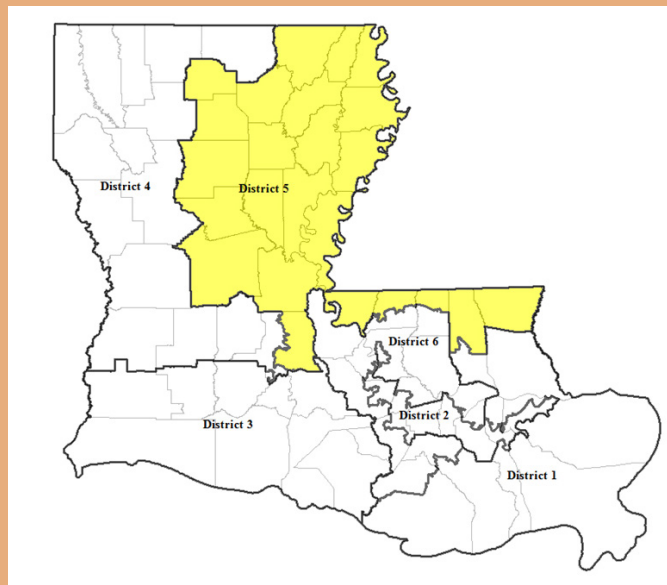
The forestry and forest products industry in Louisiana's 5th Congressional District has a total economic impact amounting to **18,245 jobs and \$1.1 billion in income** during 2012. Forestry and the forest products industry generated an output of \$4.5 billion in the district. Total industry output is defined as the value of all goods and services produced in the district. **Value-added amounted to approximately \$1.7 billion.** Value-added represents the creation of new wealth, and is inserted into the economy through payments made to workers, interest, profits and indirect business taxes.

In addition, **the tax impact was estimated to be approximately \$290 million** with \$185 million in federal and \$104.5 million in state and local taxes. The forestry and forest products impacts on the economy of Louisiana's Fifth Congressional District are summarized in the right column and detailed in **Table 1**.

These results were obtained using IMPact Analysis for PLANning (IMPLAN), an input-output model. Using input-output analysis to track how the inputs of one sector of the economy are the outputs of other sectors can allow for a greater appreciation of the economic importance of a sector or group of sectors to the overall economy.¹

¹ For more detail on combining the 440 sectors to 17 sectors, please see [The Economic Impact of Forestry and the Forest Products Industry on Louisiana's Congressional Districts, Research Information Sheet #112](#)

Louisiana District 5



Jobs
18,245

Output
\$4.5 billion

Income
\$1.1 billion

Value-Added
\$1.7 billion

Tax Revenue
\$290 million

See Reverse Side for More Details.

Table 1. Impacts from Forest Related Sectors on Employment, Income, Output, and Value-Added in Louisiana's 5th Congressional District (2012).

	Number of jobs	% of District	Income (\$)	% of District	Output (\$)	% of District	Value-Added (\$)	% of District
Direct Impact from Forest-Related Sectors:								
Forestry Services	234	0.06	25,707,783	0.21	3,388,897	0.01	26,189,461	0.10
Logging	778	0.22	42,801,085	0.34	99,193,944	0.20	22,549,394	0.09
Solid Wood Products	2,436	0.68	137,321,511	1.10	144,911,518	0.30	152,879,980	0.61
Pulp and Paper	3,807	1.06	351,720,763	2.82	72,843,000	0.15	721,470,942	2.88
Wood Furniture	323	0.09	12,564,214	0.10	2,225,575	0.00	16,003,487	0.06
Subtotal	7,578	2.10	570,115,356	4.58	2,933,919,799	5.99	939,093,262	3.75
Indirect and Induced Impacts on Sectors:								
Forestry Sector	1,518	0.42	92,653,175	0.74	322,562,933	0.66	75,266,190	0.30
Non-Forestry	9,149	2.54	433,691,154	3.48	1,307,517,781	2.67	710,901,556	2.84
Subtotal	10,667	2.96	526,344,335	4.22	1,630,080,714	3.33	786,167,746	3.14
Total Impact	18,245	5.06	1,096,459,691	8.80	4,564,000,513	9.32	1,725,261,009	6.89
Rest of District	342,548	94.94	11,364,975,383	91.20	44,398,118,200	90.68	23,303,301,656	93.11
Total in District	360,793	100.00	12,461,435,074	100.00	48,962,118,713	100.00	25,028,562,665	100.00

Glossary:

Number of jobs: Number of full and part-time employment in the chosen industries and those created in the rest of the economy by the chosen industries.

Income: Includes wages, salaries, and benefits of employees as well as income for self-employed individuals.

Output: Represents the value of industry production.

Value-added: The difference between an industry's total output and the cost of its intermediate inputs.

Direct effects: Refer to the sectors own production, value-added, employment, and labor incomes.

Indirect effects: Refer to the economic activities in other sectors by the forest sectors purchase of goods and services.

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